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Monthly Statistical Report

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ESTIMATED U.S. PETROLEUM BALANCE

SUMMARY

The unprecedented oil price decline of 1986 brought with it higher demand growth, declining domestic production, and increasing imports—with these trends becoming even more evident as the year progressed. The year witnessed:

- The lowest crude oil and product prices, after adjusting for inflation, since the Arab oil embargo of 1973.
- The highest annual deliveries since 1980, as lower prices encouraged increased consumption and fuel switching.
- The largest annual decline in the number of wells drilled; if the fourth quarter matched the estimated 48 percent drop for the third quarter, well completions for the year will have fallen by over 25,000 (nearly 40 percent) due to this year's oil price drop.
- The lowest lower 48 production since the 1950s, in the latter part of the year, and the first major decline in total production since the price-controlled 1970s, in response to reduced drilling, curtailed well servicing, and increased abandonments.
- As a result of increasing demand and falling production, the highest annual imports since 1980 and a dramatic reversal of the generally declining-to-stable trend in imports of the prior eight years.

Further examination reveals the acceleration of many petroleum market trends over the year. Total deliveries rose 4 percent in the second half of the year, more than twice the rate of the first six months. Crude oil production, which declined an estimated 0.9 percent in the first half, fell nearly 6 percent in the second. Though the annual average increase in imports of 1.1 million B/D was enough to allow some building of inventories earlier in the year, even after the year's higher demand and lower domestic production are taken into account, this was no longer the case by the fourth quarter. The most recent rates of increase for deliveries and decline for domestic production indicate year-to-year growth in imports requirements—for current consumption only, without any provision for inventories—at least as large.

Gasoline deliveries' growth rate, too, increased from the first half to the second, rising 1.4 percent, January to June, and nearly 4 percent for the remaining months. Distillate deliveries rose only slightly for the year, mainly due to increased use of on-highway diesel, while fuel switching at utilities gave residual fuel oil deliveries their first increase—of almost 18 percent—in nearly ten years. Because of strong growth in air traffic, kerosine jet fuel deliveries rose 10 percent to a new annual high of 1.1 million B/D. Deliveries of other oils changed only slightly.

Though inventory building from May through September added more than 130 million barrels to stocks, the fourth quarter draw of 45 million barrels was well above the 7 million barrel average of the previous five years. As a result, stocks ended the year only 43 million barrels ahead of 1985 and lower than December stocks for several prior years.

PRODUCT SUPPLIED[1/]

Total Energy

PETROLEUM'S SHARE REVERSES DECLINE. Total energy consumption rose only slightly for the year as a whole, but estimated growth in the second half was close to one percent due to rising petroleum deliveries (see Table 1). As a result of this upturn in petroleum demand, displayed in Figure 1, oil's share of energy consumption rose over a percentage point in 1986, the first such increase in nearly ten years. Natural gas experienced the largest loss of market share, with declining industrial use and fuel switching at electric utilities the major causes. In fact, natural gas' share slipped below that of coal for the first time since the 1950s despite an excess of U.S. production capacity estimated by some at 2 trillion cubic feet per year. Coal consumption underwent little change, contrasting with three prior years of uninterrupted growth, while gains for other sources—primarily due to increased nuclear generating capacity—balanced out the shifts in energy consumption.

TABLE 1
ESTIMATED ENERGY CONSUMPTION AND SHARES BY TYPE
Consumption (Quadrillion BTU Annually)

	Coal	Natural Gas	Petroleum	Other	Total
1985	17.5	17.9	30.9	7.7	73.9
1986	17.4	16.8	31.8	8.1	74.1
Change	-0.1	-1.0	0.9	0.4	0.2
Percent change	-0.5%	-5.8%	2.9%	5.1%	0.2%
Market Shares (Percent)					
1985	23.7	24.1	41.8	10.4	100.0
1986	23.5	22.7	42.9	10.9	100.0
Percentage point change in share	-0.2	-1.4	1.1	0.5	
Year-to-Year Percent Change in BTUs by Half Year					
First half	-1.1%	-5.0%	1.8%	3.9%	-0.4%
Second half	0.0%	-6.8%	4.0%	6.3%	0.9%

Note: Figures rounded independently; calculations based on unrounded data.
Sources: Department of Energy, API estimates.

In examining trends in the ratio of energy consumed to U.S. economic output, annual averages again obscure more recent developments. For the year, this measure of energy intensity is down an estimated 2.3 percent, similar to the average 2.4 percent decline rate of the prior four years. Figure 2, however, suggests that the decline rate has slackened in more recent quarters to around 1.5 percent. Though there is some possibility that this only reflects some of the variability of the measure that has been experienced in the past, it is more likely that slowing of energy efficiency improvements actually took place as a predictable result of lower energy prices. In any case, the figure clearly shows that, while energy intensity overall may still be declining, consumption of petroleum per unit of economic output reversed its long-term decline in 1986. For the second half, it is estimated to have risen about 1.5 percent, year to year, contrasting with an average annual decline rate of about 4 percent for 1980 to 1985.

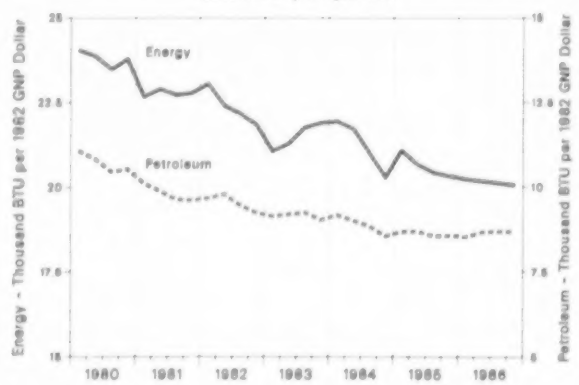
Figure 1

SEASONALLY ADJUSTED PRODUCT SUPPLIED

Sources: Department of Energy, American Petroleum Institute.

Figure 2

ENERGY AND PETROLEUM CONSUMED PER DOLLAR OF REAL GNP
(Seasonally Adjusted)



Sources: Department of Energy, Department of Commerce, API estimates.

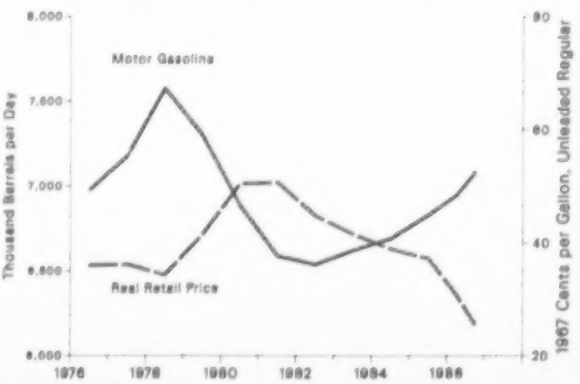
Gasoline

SECOND HALF GROWTH MORE THAN DOUBLES FIRST. Gasoline deliveries' 2.6 percent increase for the year partially masks an acceleration in growth between the first and second halves. While first half deliveries rose only 1.4 percent—not out of line with 1985's increase of about 2 percent—the large price declines that by midyear had brought gasoline prices at the pump to levels about 30 percent below those of a year earlier encouraged increased consumption during the second half. As a result, growth in deliveries in the last six months of the year more than doubled, climbing to 3.8 percent.

The inverse relation between real gasoline prices and gasoline demand experienced in 1986 is also clearly observable over the past decade, as shown in Figure 3. When prices rose sharply from 1979 to early 1981, gasoline demand reversed its steady increase of the prior four years.

Figure 3

MOTOR GASOLINE SUPPLIED AND REAL GASOLINE PRICES



Sources: Department of Energy, American Petroleum Institute, Bureau of Labor Statistics.
Note: 1986 data have been split into first and second halves, seasonally adjusted.

When prices began to decline in 1981 and later years, deliveries soon bottomed out and started to inch up again, despite continued improvements in the vehicle fleet's efficiency. The sharp price drop in 1986—at year-end, retail gasoline prices were at less than half the early 1981 peak, after adjusting for inflation—corresponds with a further increase in gasoline deliveries' growth rate. Gasoline's nearly 4 percent rise of the past six months contrasts with the only 1.5 percent average growth rate of 1982-85.

Unleaded's share continued to rise during the year, reaching 73 percent by year-end. Though for the year as a whole, the gain in market share amounted to 4.8 percentage points, about the same as in 1985, gains late in the year were somewhat larger as many companies began to market midgrade unleaded either regionally or on a test basis. Unleaded premium also made significant gains during the year, largely at the expense of unleaded regular, achieving a market share of 18 percent by the end of the third quarter.

The growth in gasoline deliveries slipped to 1.3 percent (85 thousand B/D) in December, though there is no reason to believe consumption did not continue to grow at the higher rates typical of the past several months. Despite December's smaller increase, deliveries for the fourth quarter as a whole still rose 3.2 percent.

Distillates

ON-HIGHWAY DIESEL MAIN CONTRIBUTOR TO GROWTH.

Though the fluctuations in distillate deliveries in recent months continued in December, over the longer term, growth has been more stable. The fourth quarter's rise averaged 2.2 percent and the year as a whole showed only a 1.2 percent increase—only marginally higher than 1985's.

As Table 2 shows, most of 1986's increase came from growing on-highway use, up an estimated 3.3 percent, similar to the previous year's growth but down from the 8 to 10 percent jumps of 1983 and 1984. On-highway diesel's share of distillate deliveries has increased by about 10 percentage points since 1980, to 40 percent, mainly due to declines for most other sectors and a roughly 30 percent increase in on-highway use.

For the residential and commercial sectors, which now account for only one fourth of all distillate deliveries, the lower prices of 1986 have largely stabilized conversions to other fuels. However, there has been little opportunity to observe how much of an effect lower fuel oil prices have had on consumption in existing homes and commercial buildings because the largest portion of heating oil use typically occurs early in the year—for 1986, before the price decline could have had much impact.

Other sectors, as a group, experienced little change. Estimated farm use declined along with farm activity, while most other sectors added only slightly to distillate volumes.

Distillate deliveries' 3.9 percent, 127 thousand B/D decline in December followed a nearly 12 percent increase for the prior month. However, as with November's increase, at least part of December's decline is also explained by weather. Largely because of unusually cold temperatures a year ago, this past December was about 18 percent warmer by comparison. This can be expected to have reduced consumption year-to-year by about 250 thousand B/D. Even with an increase of perhaps 40 thousand B/D for on-highway diesel, deliveries for December appear to be about 80 thousand B/D higher than indicated consumption.

Residual Fuel Oil

FIRST ANNUAL INCREASE IN NEARLY TEN YEARS.

Residual fuel oil ended the year with another strong gain—and the increase for 1986 as a whole was the first for residual fuel oil in nearly ten years. After an average decline of about 235 thousand B/D per year between 1977 and 1985, the 17.7 percent, 213 thousand B/D increase for the year represents a strong reversal. As Table 3 shows, nearly the entire increase for 1986 was in the electric utility sector where lower prices encouraged fuel switching, particularly on the East Coast. Bunkering declined slightly and industrial use showed an increase. As a result of this year's shifts in sector deliveries, electric utilities now account for about 43 percent of residual fuel oil use, up almost 10 points in one year.

December's 18 percent increase in deliveries followed November's lesser rise of 11 percent, the smallest gain since February. Apparently, higher seasonal electricity demand increased residual fuel oil's role as an incremental fuel source in December, much as summer electricity demand peaks did earlier in 1986.

TABLE 2

ESTIMATED DISTILLATE DELIVERIES BY SECTOR
(Thousand B/D)

	1985	1986	Percent Change
Residential and commercial	765	760	-0.7%
Farm	216	205	-5.1
Industrial	169	171	1.2
Oil companies	57	60	5.3
Utilities	34	40	17.6
On-highway	1,127	1,164	3.3
Railroad	209	210	0.5
Bunkering	124	126	1.6
Off-highway	105	106	1.0
Military	50	50	0.0
Other	12	11	-8.3
Total	2,868	2,903	1.2%

Sources: Department of Energy, API estimates.

TABLE 3

ESTIMATED RESIDUAL FUEL OIL DELIVERIES BY SECTOR
(Thousand B/D)

	1985	1986	Percent Change
Utilities	403	607	50.6%
Bunkering	357	350	-2.0
Industrial	262	275	5.0
Oil company	51	55	7.8
Commercial	87	86	-1.1
Military	13	13	0.0
Other	29	29	0.0
Total	1,202	1,415	17.7%

Sources: Department of Energy, API estimates.

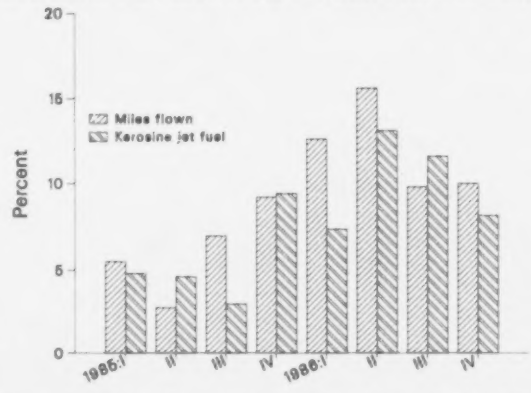
Kerosine Jet Fuel

STRONG AIR TRAFFIC GROWTH RAISES DELIVERIES. Kerosine jet fuel deliveries reached a new annual high in 1986—1.1 million B/D—the 10.0 percent gain the result of strong growth in air traffic for the year.

As Figure 4 shows, revenue miles flown jumped 13 and 16 percent, respectively, in the first two quarters of 1986. Though second half growth was slightly less—about 10 percent—the increase for the year as a whole was still double the 6 percent increase of 1985. The decline in international revenue passenger miles, especially in late spring and early summer, did not keep available seat-miles on international flights from rising 7 percent (11 month's data). More significantly for jet fuel demand, domestic flights, which account for about four-fifths of total available seat miles, experienced a 13 percent gain by this measure. Air cargo traffic rose about 9 percent for the year.

Figure 4

YEAR-TO-YEAR CHANGE IN REVENUE MILES FLOWN AND KEROSINE JET FUEL DELIVERIES



Sources: Department of Transportation, Department of Energy, American Petroleum Institute, API estimates.

Though changes in kerosine jet fuel deliveries have tracked changes in miles flown only partially on a quarterly basis, for the year as a whole the correspondence is quite close—as with miles flown, kerosine jet fuel deliveries' 10 percent increase was about double that of 1985.

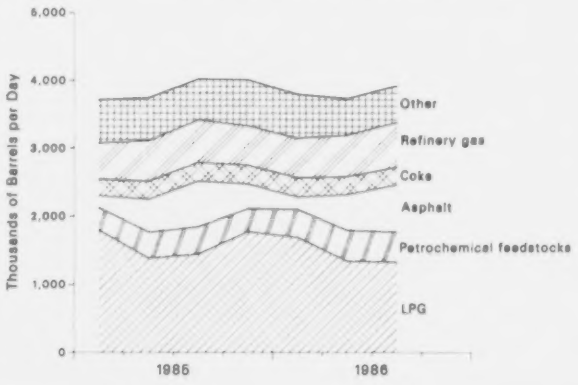
Other Oils

ALMOST EVEN FOR THE YEAR. Deliveries of other oils rose only marginally for the year, following an increase of only 1 percent in 1985. Figure 5 displays the relatively flat performance of this portion of petroleum deliveries over the past two years.

One of the year's major developments, however, was a shift of product demand within the "other oils" category due to changing economics of petrochemical feedstocks. Because crude oil prices declined by much more, proportionally, than natural gas prices, petroleum-based feedstocks in many cases became more attractive than natural gas liquids as petrochemical inputs. As a result, ethane and propane deliveries both declined about 9 percent (ten month's data) while deliveries of naphtha and gasoil feedstocks rose about 19 percent. Nevertheless, natural gas liquids remain a principal input, since many plants are designed mainly for lighter feedstocks.

Figure 5

DELIVERIES OF OTHER OILS



Source: Department of Energy

According to Department of Energy data, deliveries of butanes increased more than 30 percent for ten months, despite indications of reduced chemical usage in 1986. With ethane and propane deliveries falling and butane deliveries rising, the net decline for total liquefied petroleum gases was only about 5 percent. Deliveries of asphalt were up 6 percent for ten months while petroleum coke deliveries stayed about even. Increased refining utilization in 1986 raised refinery gas production and consumption by about 5 percent.

(In millions of B/D)	DECEMBER ESTIMATES			YEAR-TO-DATE ESTIMATES		
	1986	1985	% Change	1986	1985	% Change
—Total domestic products supplied	16.8	16.6	1.3	16.2	15.7	2.9
—Motor gasoline supplied	6.9	6.8	1.3	7.0	6.8	2.6
—Distillate fuel oil supplied	3.1	3.3	(3.9)	2.9	2.9	1.2
—Residual fuel oil supplied	1.8	1.5	18.3	1.4	1.2	17.7

SUPPLY[1/]

December's total supply fell 707 thousand B/D year to year, despite a 769 thousand B/D rise in imports. A decline in domestic supply of 1,476 thousand B/D—more than half of it due to lower production of crude oil and natural gas liquids—was responsible.

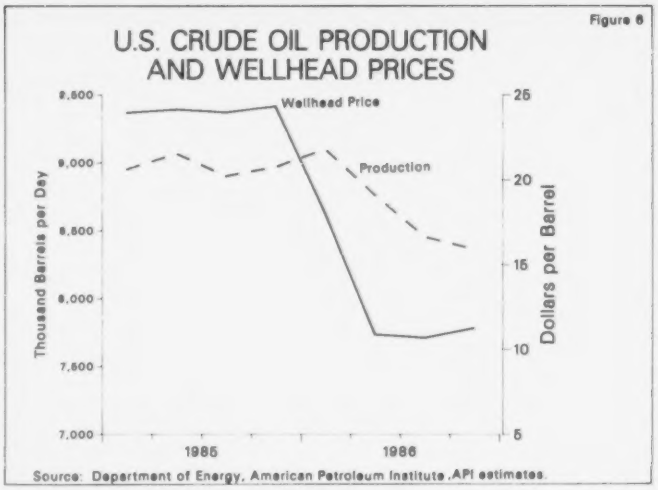
Production

DECLINE INCREASES AS YEAR PROGRESSES. December's 695 thousand B/D, 7.7 percent decline in crude oil production—one of the largest for 1986—brought the year's average drop to about 3.4 percent. However, the year-to-year decline accelerated as the year progressed. Production in the first half slipped 0.9 percent, while third quarter production fell 5.0 percent and the fourth quarter, 6.7 percent. This was the first major decline since the price-controlled 1970s and reflected a dramatic falloff in crude production by December of over 800 thousand B/D from this year's February high of 9,181 thousand B/D. As Figure 6 shows, the decrease in production followed closely on the heels of crude oil's substantial price drop to levels only about half of those in 1985.

The year's decline would have been even greater had it not been for an increase in Alaskan production of about 40 thousand B/D for the year, as field development projects, some of which were already underway before this year's price decline, were implemented. In the lower 48, however, production has been running at an estimated 6.5 million B/D, more reminiscent of production levels of the 1950s than of more recent decades. According to API's *Crude Oil Price Effects Survey*, if prices continued at the $15-per-barrel level experienced near the end of 1986, U.S. production by 1991 would decline by another 2 million B/D to 6.2 million B/D.

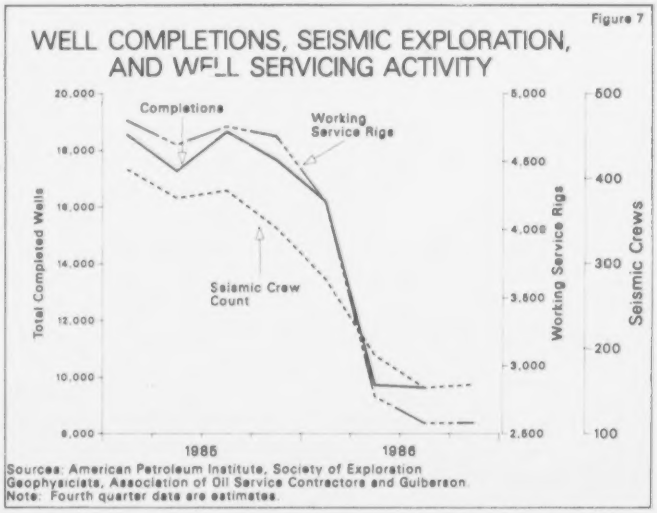
Natural gas liquids, which account for about one sixth of domestic petroleum liquids production, have also been declining in recent months. December's production declined an estimated 195 thousand B/D from the previous December. Including crude oil, total liquids production for the fourth quarter fell 6 percent, or more than 630 thousand B/D, year to year.

Figure 6



Source: Department of Energy, American Petroleum Institute, API estimates.

Figure 7



Sources: American Petroleum Institute, Society of Exploration Geophysicists, Association of Oil Service Contractors and Guiberson.
Note: Fourth quarter data are estimates.

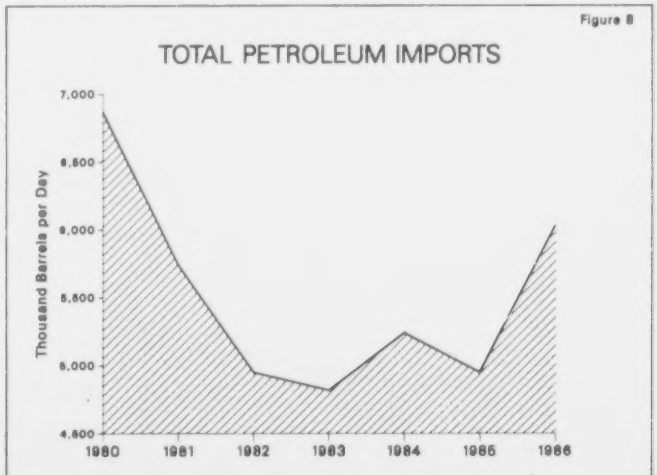
The decline in crude oil production has been the result not only of reduced exploration and drilling, but reduced maintenance and shorter economic life for existing wells. Figure 7 shows how sharply these activities have declined in the past year. The number of seismic crews exploring for oil and gas has fallen by 50 to 60 percent year to year for the most recent months, and has been at only about one fourth of 1981's peak level. With the average cost of drilling a well at approximately $280,000 onshore and over $4 million offshore, according to the recently-released *Joint Association Survey* for 1985, lower prices have brought about a reduction in drilling that reached a 48 percent decline by the third quarter. If the fourth quarter's decrease was similar, drilling in 1986 will have declined by roughly 25,000 wells—nearly 40 percent—in one year. Economic considerations have also reduced incentives to maintain and service existing wells, and the number of active service rigs has consequently fallen to about half the prior year's level. Without maintenance and servicing, a well's productive capacity declines more rapidly, and combined with lower per-barrel revenues to cover production costs, reduces its economic life even further.

Imports

YEAR'S IMPORTS NOT MATCHED SINCE 1980. Total imports rose 769 thousand B/D year to year in December, but the actual increase in imports requirements has been running about 75 percent higher than that rate in recent months. A larger inventory draw this December than last—1985's was substantially less than average for the month—kept the rise in actual imports from being larger. For the year as a whole, imports rose 1.1 million B/D to the highest level since 1980 (see Figure 8), a dramatic reversal of the declining-to-stable trend of the prior eight years.

While actual imports had exceeded consumption needs midyear, and have since declined somewhat, imports requirements are still growing. In the fourth quarter, domestic deliveries rose about 600 thousand B/D, crude oil production fell about 600 thousand B/D, and natural gas liquids production fell about 150 thousand B/D, year to year. The

Figure 8



Sources: Department of Energy, American Petroleum Institute.

combined effect of these was an increase in the need for imports of over 1.3 million B/D—or an annual rate of 20-25 percent.

This is, by coincidence, not much more than the average increase in imports for the year 1986. But, though earlier in the year, some of the imports increase was available for building inventories, the 1.3 million B/D increase in imports requirements calculated above would only be able to supply current demand, without any addition to inventory.

Almost the entire increase in imports in 1986 came from OPEC countries. For the first ten months, imports from Arab OPEC members alone increased 734 thousand B/D and accounted for two thirds of the total imports increase. More significant than shifts in this country's foreign oil suppliers is what these shifts reflect about world markets, namely, that OPEC remains as the world's marginal supplier of crude oil.

Refinery Operations

UTILIZATION RATE HIGHEST SINCE 1979.

Rising demand and replenishment of product inventories brought refinery utilization in 1986 to the highest annual level since 1979.

From 1981 to 1985, percentage utilization rates averaged only in the 60s and 70s, due to low levels of domestic demand. As shown in Figure 9, gradual closure of excess refining capacity from 1981 to 1985 brought total operable capacity down about 16 percent or 2.9 million B/D. In 1986, operable capacity declined only slightly while input jumped over 5 percent. This brought the average utilization rate for the year up to almost 83 percent, with a peak of 87 percent in August.

Though the annual average of about 83 percent is still less than the highs near 90 percent of the mid-70s, operable capacity does not reflect all aspects of the current refinery situation. First, perhaps 500 thousand B/D of capacity listed as operable has not been in operation for at least a year. Second, operable capacity is a measure only of crude oil distillation capability. With growing gasoline demand, lead phasedown, and other changing product requirements, the utilization of downstream units has been greater than that implied by the traditional utilization figure.

Inventories

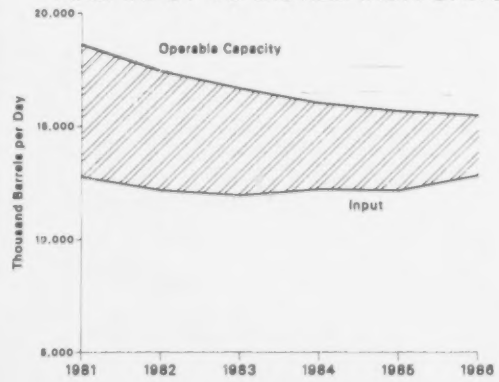
DRAWDOWN CONTINUES.

December's inventory decline of 30 million barrels, slightly more than the average of the previous five years, continued the decreases of the previous two months. Stocks had been building earlier in the year, rising more than 130 million barrels during May through September. During the fourth quarter, however, total stocks dropped 45 million barrels, substantially more than the 7 million barrel average of the previous five years, and ended the year only 43 million barrels ahead of December 1985. As Figure 10 shows, end-of-year stocks were not unusually high compared with previous years, and, in fact, were more than 200 million barrels less than at the end of 1980.

Distillate stocks increased 3 million barrels during December, compared with an average December decline of about 7 million barrels, and ended the year 10 million barrels ahead of last year.

Figure 9

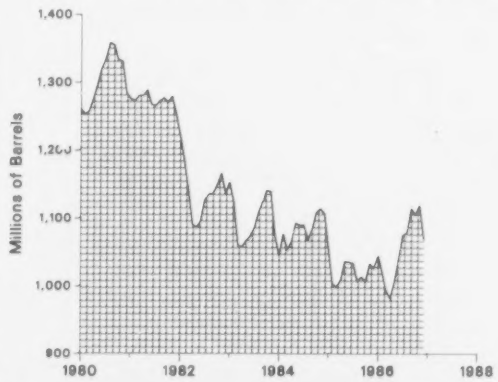
ANNUAL AVERAGE REFINERY CAPACITY AND INPUT TO DISTILLATION UNITS



Source: Department of Energy, American Petroleum Institute.

Figure 10

TOTAL PETROLEUM INVENTORIES



Sources: Department of Energy, American Petroleum Institute.

(In millions of B/D)	DECEMBER ESTIMATES			YEAR-TO-DATE ESTIMATES		
	1986	1985	% Change	1986	1985	% Change
—Total supply	16.6	17.3	(4.1)	17.1	16.3	4.8
—Crude production[2/]	8.3	9.0	(7.7)	8.7	9.0	(3.4)
—Crude oil imports[3/]	4.4	3.6	21.8	4.1	3.1	32.2
—Product imports	2.1	2.1	(1.0)	2.0	1.9	4.6

1/ Total supply, i.e., production plus imports adjusted for net stock change is equal to total products supplied from primary storage. Total products supplied from primary storage less exports is equal to total domestic products supplied. Information contained in this report is derived from information published in the API Weekly Bulletin and is based on historical analysis of the industry. All data reflect the most current information available to the API and include all previously published revisions.

2/ Includes lease condensate.

3/ API data do not include crude oil imported for the Strategic Petroleum Reserve (SPR) nor crude oil stocks held in the SPR (according to the U.S. Department of Energy, the SPR held approximately 512 million barrels as of December 31, 1986).

ESTIMATED UNITED STATES PETROLEUM BALANCE

(Daily Average in Thousands of 42 Gallon Barrels)

Products Supplied/Supply From Primary Storage	DECEMBER			YEAR-TO-DATE		
	1986[1]	1985[2]	% Change	1986[3R]	1985[2]	% Change
Products Supplied:						
Total motor gasoline	6,877	6,792	1.3	7,012	6,831	2.6
Finished leaded motor gasoline*	1,854	2,231	(16.9)	2,154	2,425	(11.2)
Finished unleaded motor gasoline*	5,023	4,561	10.1	4,858	4,406	10.3
Naphtha-jet	201	192	4.7	204	214	(4.7)
Kerosine-jet	1,214	1,152	5.4	1,105	1,005	10.0
Distillate fuel oil	3,127	3,254	(3.9)	2,903	2,868	1.2
Residual fuel oil	1,755	1,483	18.3	1,415	1,202	17.7
All other oils[4]	4,015	4,081	(1.6)	3,878	3,870	0.2
Reclassified[5]	- 365	- 342	6.7	- 334	- 262	27.5
Total domestic products supplied	16,824	16,612	1.3	16,183	15,728	2.9
Exports	769	925	(16.9)	766	781	(1.9)
Total products supplied	17,593	17,537	0.3	16,949	16,509	2.7
Supply:						
Domestic production:						
Crude oil[6]	8,335	9,030	(7.7)	8,667	8,971	(3.4)
Natural gas liquids	1,485	1,680	(11.6)	1,567	1,609	(2.6)
Other supply[7]	276	862	(68.0)	804	759	5.9
Total domestic supply	10,096	11,572	(12.8)	11,038	11,339	(2.7)
Imports:						
Crude oil, total	4,412 10/	3,621 10/	21.8	4,077 10/	3,083 10/	32.2
Canadian	599	540	10.9	555	468	18.6
Other	3,813	3,081	23.8	3,522	2,615	34.7
Products, total	2,113	2,135	(1.0)	1,952	1,866	4.6
Residual fuel oil	814	681	19.5	646	510	26.7
Other	1,299	1,454	(10.7)	1,306	1,356	(3.7)
Total imports	6,525	5,756	13.4	6,029	4,949	21.8
Total supply	16,621	17,328	(4.1)	17,067	16,288	4.8
Stock change, all oils	- 972	- 209	XXXX	+ 118	- 221	XXXX
Refinery Operations						
Input to crude oil distillation units	13,027	12,744	2.2	12,833	12,165	5.5
Operable capacity	15,594	15,687	(0.6)	15,494	15,671	(1.1)
Refinery utilization (%)[8]	83.5%	81.2%	2.8	82.8%	77.6%	6.7
Crude oil runs	12,870	12,570	2.4	12,716	12,002	5.9

Stocks (millions bbls.)	1986		1985[2]	% Change from ...	
	Dec. 31[9]	Nov. 30[9]	Dec. 31	Previous Month	Year Ago
Crude oil 10/	323.4	344.5r/	320.9	(6.1)	0.8
Unfinished oils	94.9	101.1	106.7	(6.1)	(11.1)
Total motor gasoline**	237.5	226.8r/	222.8	4.7	6.6
Finished leaded motor gasoline*	67.9	65.0	81.4	4.5	(16.6)
Finished unleaded motor gasoline*	130.4	123.9	108.9	5.2	19.7
Naphtha-jet	7.0	6.8	6.7	2.9	4.5
Kerosine-jet	42.2	41.7	33.8	1.2	24.9
Distillate fuel oil	153.2	150.2	143.7	2.0	6.6
Residual fuel oil	43.4	46.2	50.4	(6.1)	(13.9)
All other oils	167.1	181.5r/	140.5	(7.9)	18.9
Total all oils	1,068.7	1,098.8r/	1,025.5	(2.7)	4.2

1/ Based on API estimated data converted to a monthly basis.
2/ Source: U.S. Department of Energy.
3/ Source: January-October, U.S. Department of Energy, November-December, API.
4/ Includes crude losses.
5/ Beginning with January 1981, U.S. Department of Energy began using a new data collection system which encompasses a method to ascertain the amount of product reclassified during the production phase. So that there will be no double counting of these volumes, they are subtracted from total domestic products supplied.
6/ Includes lease condensate.
7/ Includes unaccounted-for crude oil, refinery input of other hydrocarbons, and processing gain.
8/ Represents "Input to crude oil distillation units" as a percent of "Operable capacity."
9/ Derived by interpolating API weekly stocks data.
10/ Data do not include oil imported for the Strategic Petroleum Reserve (SPR) nor crude oil stocks held in the SPR.
R/ Revised.
* Included in motor gasoline.
** Includes finished leaded, finished unleaded, and motor gasoline blending components stocks.

ESTIMATED UNITED STATES PETROLEUM BALANCE

(Daily Average in Thousands of 42 Gallon Barrels)

Products Supplied/Supply From Primary Storage	4th QUARTER		
	1986[1]	1985[2]	% Change
Products Supplied:			
Total motor gasoline	7,035	6,820	3.2
Finished leaded motor gasoline*	1,979	2,312	(14.4)
Finished unleaded motor gasoline*	5,056	4,508	12.2
Naphtha-jet	209	207	1.0
Kerosine-jet	1,174	1,086	8.1
Distillate fuel oil	3,034	2,970	2.2
Residual fuel oil	1,470	1,271	15.7
All other oils[3]	4,067	4,005	1.5
Reclassified[4]	- 361	- 334	8.1
Total domestic products supplied	16,628	16,025	3.8
Exports	794	882	(10.0)
Total products supplied	17,422	16,907	3.0
Supply:			
Domestic production:			
Crude oil[5]	8,364	8,968	(6.7)
Natural gas liquids	1,505	1,650	(8.8)
Other supply[6]	679	787	(13.7)
Total domestic supply	10,548	11,405	(7.5)
Imports:			
Crude oil, total	4,367[9/]	3,591[9/]	21.6
Canadian	587	488	20.3
Other	3,780	3,103	21.8
Products, total	1,994	2,044	(2.4)
Residual fuel oil	669	617	8.4
Other	1,325	1,427	(7.1)
Total imports	6,361	5,635	12.9
Total supply	16,909	17,040	(0.8)
Stock change, all oils	- 513	+ 133	XXXX
Refinery Operations			
Input to crude oil distillation units	12,914	12,578	2.7
Operable capacity	15,534	15,717	(1.2)
Refinery utilization (%)[7]	83.1%	80.0%	3.9
Crude oil runs	12,774	12,396	3.0

Stocks (millions bbls.)	4th QUARTER		
	1986[8]	1985[2]	% Change
Crude oil	323.4[9/]	320.9[9/]	0.8
Unfinished oils	94.9	106.7	(11.1)
Total motor gasoline**	237.5	222.8	6.6
Finished leaded motor gasoline*	67.9	81.4	(16.6)
Finished unleaded motor gasoline*	130.4	108.9	19.7
Naphtha-jet	7.0	6.7	4.5
Kerosine-jet	42.2	33.8	24.9
Distillate fuel oil	153.2	143.7	6.6
Residual fuel oil	43.4	50.4	(13.9)
All other oils	167.1	140.5	18.9
Total all oils	1,068.7	1,025.5	4.2

1/ Source: U.S. Department of Energy, October; November-December, API.
2/ Source: U.S. Department of Energy.
3/ Includes crude losses.
4/ Beginning with January 1981, U.S. Department of Energy began using a new data collection system which encompasses a method to ascertain the amount of product reclassified during the production phase. So that there will be no double counting of these volumes, they are subtracted from total domestic products supplied.
5/ Includes lease condensate.
6/ Includes Unaccounted-for crude oil, Refinery input of other hydrocarbons, and Processing gain.
7/ Represents "Input to crude oil distillation units" as a percent of "Operable capacity."
8/ Derived by interpolating API weekly stocks data.
9/ Data do not include oil imported for the Strategic Petroleum Reserve (SPR) nor crude oil stocks held in the SPR.
* Included in motor gasoline.
** Includes finished leaded, finished unleaded, and motor gasoline blending components stocks.